



[BILLING CODE: 6750-01S]

FEDERAL TRADE COMMISSION

[File No. 122 3252]

Sony Computer Entertainment America LLC; Analysis of Proposed Consent Order to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed Consent Agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting deceptive acts or practices. The attached Analysis of Proposed Consent Order to Aid Public Comment describes both the allegations in the draft complaint and the terms of the consent order -- embodied in the consent agreement -- that would settle these allegations.

DATES: Comments must be received on or before December 29, 2014.

ADDRESSES: Interested parties may file a comment at

<https://ftcpublic.commentworks.com/ftc/sonyceaconsent> online or on paper, by following the

instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION**

section below. Write “Sony Computer Entertainment America LLC - Consent Agreement; File No. 122 3252” on your comment and file your comment online at

<https://ftcpublic.commentworks.com/ftc/sonyceaconsent> by following the instructions on the web-based form. If you prefer to file your comment on paper, write “Sony Computer Entertainment America LLC - Consent Agreement; File No. 122 3252” on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex D), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street, SW, 5th Floor, Suite 5610 (Annex

D), Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: Linda Badger, Western Region-San Francisco, (415-848-5151), 901 Market Street, Suite 570, San Francisco, CA 94103.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 15 U.S.C. 46(f), and FTC Rule 2.34, 16 CFR 2.34, notice is hereby given that the above-captioned consent agreement containing consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of thirty (30) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for November 25, 2014), on the World Wide Web, at <http://www.ftc.gov/os/actions.shtm>.

You can file a comment online or on paper. For the Commission to consider your comment, we must receive it on or before December 29, 2014. Write “Sony Computer Entertainment America LLC - Consent Agreement; File No. 122 3252” on your comment. Your comment - including your name and your state - will be placed on the public record of this proceeding, including, to the extent practicable, on the public Commission Website, at <http://www.ftc.gov/os/publiccomments.shtm>. As a matter of discretion, the Commission tries to remove individuals’ home contact information from comments before placing them on the Commission Website.

Because your comment will be made public, you are solely responsible for making sure that your comment does not include any sensitive personal information, like anyone’s Social Security number, date of birth, driver’s license number or other state identification number or foreign country equivalent, passport number, financial account number, or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, like medical records or other individually identifiable health

information. In addition, do not include any “[t]rade secret or any commercial or financial information which . . . is privileged or confidential,” as discussed in Section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2). In particular, do not include competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

If you want the Commission to give your comment confidential treatment, you must file it in paper form, with a request for confidential treatment, and you have to follow the procedure explained in FTC Rule 4.9(c), 16 CFR 4.9(c).¹ Your comment will be kept confidential only if the FTC General Counsel, in his or her sole discretion, grants your request in accordance with the law and the public interest.

Postal mail addressed to the Commission is subject to delay due to heightened security screening. As a result, we encourage you to submit your comments online. To make sure that the Commission considers your online comment, you must file it at <https://ftcpublic.commentworks.com/ftc/sonyceaconsent> by following the instructions on the web-based form. If this Notice appears at <http://www.regulations.gov/#!home>, you also may file a comment through that website.

If you file your comment on paper, write “Sony Computer Entertainment America LLC - Consent Agreement; File No. 122 3252” on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex D), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street, SW, 5th Floor, Suite 5610 (Annex D), Washington, DC

¹ In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. *See* FTC Rule 4.9(c), 16 CFR § 4.9(c).

20024. If possible, submit your paper comment to the Commission by courier or overnight service.

Visit the Commission Website at <http://www.ftc.gov> to read this Notice and the news release describing it. The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before December 29, 2014. You can find more information, including routine uses permitted by the Privacy Act, in the Commission's privacy policy, at <http://www.ftc.gov/ftc/privacy.htm>.

Analysis of Proposed Consent Order to Aid Public Comment

The Federal Trade Commission ("FTC" or "Commission") has accepted, subject to final approval, an agreement containing consent order from Sony Computer Entertainment America LLC ("SCEA" or "respondent"). The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement and take appropriate action or make final the agreement's proposed order.

This matter involves respondent's advertising of the PlayStation Vita ("PS Vita"), a gaming console. Respondent first offered the PS Vita for sale in the United States on February 22, 2012, for approximately \$250. The PS Vita is part of respondent's line of game consoles, including the PlayStation 3 video game console ("PS3"), which allows consumers to play video games on their television sets. Unlike the PS3, the PS Vita is a handheld, portable game console that allows consumers to play games away from their television sets. In addition to selling game consoles, respondent is one of the many game developers writing game titles for use on its PS3

and PS Vita game consoles. At the time the PS Vita was launched, “MLB 12: The Show,” and “Killzone 3,” were popular SCEA game titles for the PS3.

According to the complaint, respondent advertised several notable features of the PS Vita. First, respondent promoted the “remote play” feature of the PS Vita as a way that consumers could access games already residing on their PS3 consoles and play them remotely on the PS Vita anywhere with a Wi-Fi connection. Second, advertisements represented that, with the “cross platform gaming” or “cross save” feature, consumers could begin playing a game on a PS3 console, save their progress at any point in the game, and then continue that game where they left off on the PS Vita. Third, with the “3G version” the PS Vita, available for an extra \$50 and monthly fees, advertisements represented that consumers could access a 3G network to play games live with others (“multiplayer gaming”). The complaint alleges that respondent’s advertising of these features was false or misleading and thus violates the FTC Act.

With respect to the remote play feature, the FTC’s complaint alleges that respondent misrepresented that, with this feature, PS Vita users can easily access their PS3 games on the PS Vita. According to the complaint, PS Vita users could not easily access their PS3 games on the PS Vita. Indeed, most PS3 games are not remote playable on the PS Vita, and respondent did not specifically design the PS3 system to support remote play functionality. In addition, the complaint alleges as false or misleading respondent’s claim that PS Vita users can, with remote play, easily access Killzone 3 and other similar, data-rich PS3 games. Respondent never enabled remote play on its Killzone 3 title, and very few, if any, data-rich PS3 games of similar size and complexity to Killzone 3 were remote play compatible on the PS Vita.

The complaint also alleges that the respondent made false or misleading claims about the cross save feature of the PS Vita. Contrary to respondent’s advertisements, PS Vita users are not able to pause any PS3 game they are playing on their PS3 consoles at any point in the game, and continue to play that game where they left off on the PS Vita. The complaint states that this

feature is available only for a limited number of PS3 game titles, and that the pause and save feature varies significantly by game. For example, with respect to “MLB 12: The Show,” consumers are able to pause and save the game to the PS Vita only after they have finished the entire baseball game (all nine innings) on the PS3. The complaint also alleges that with respect to this feature, respondent failed to disclose that, with games such as MLB 12: The Show, consumers would have to own two versions of the same game, one for the PS3 and one for the PS Vita, to use this feature.

Finally, the complaint addresses advertising claims made for features relating to the 3G version of the PS Vita. Specifically, the complaint alleges as false or misleading the representation that PS Vita users who own the 3G version are able to engage in live, multiplayer gaming through a 3G network. According to the complaint, PS Vita users are restricted to asynchronous or “turn-based” multiplayer gaming with the 3G version of the PS Vita.

The proposed consent order contains provisions designed to prevent respondent from engaging in similar acts or practices in the future, as well as a provision to redress certain consumers. Part I of the order prohibits respondent from misrepresenting any material gaming feature or capability of any Handheld Game Console Product, when used as a standalone device to play video games.

Part II of the proposed order prohibits respondent from making any representation about the material capability of any Handheld or Home Game Console Product to interact with, or connect to, any other Handheld Game Console Product during gaming, unless at the time it is made, respondent possesses and relies upon competent and reliable evidence that substantiates the representation.

Part III of the proposed order prohibits respondent from making any representation about the material capability of any Handheld or Home Game Console Product to interact with, or connect to, any other Handheld or Home Game Console Product during gaming, unless it

discloses, clearly and prominently, and in close proximity to the representation, that consumers must purchase two versions of the same video game, one for each console, if such is the case.

Part IV of the proposed order provides for consumer redress to “eligible purchasers” of the PS Vita. The proposed order defines “eligible purchasers” as consumers who purchased the PS Vita before June 1, 2012, and did not return it for a full refund. SCEA will offer these consumers \$25 dollars in cash or credit or the alternative of a voucher (or other entitlement) for merchandise, video games, and/or services with a retail value of \$50 or more.

Part V of the proposed order contains recordkeeping requirements for advertisements and substantiation relevant to representations covered by Parts I through III of the order.

Parts VI through VIII of the proposed order require the company to: deliver a copy of the order to certain personnel having managerial responsibilities with respect to the subject matter of the order; notify the Commission of changes in corporate structure that might affect compliance obligations under the order; and file compliance reports with the Commission.

Part IX of the proposed order provides that the order will terminate after twenty (20) years, with certain exceptions.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the complaint or proposed order, or to modify the proposed order’s terms in any way.

By direction of the Commission.

Donald S. Clark,
Secretary.